



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2017 Biennium

Bill #	SB0037	Title:	Revise laws for filing of exempt water right claims
Primary Sponsor:	Fielder, Jennifer	Status:	As Amended

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>
Expenditures:				
General Fund	\$214,920	\$20,280	\$20,584	\$20,893
State Special Revenue	\$0	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>(\$214,920)</u>	<u>(\$20,280)</u>	<u>(\$20,584)</u>	<u>(\$20,893)</u>

Description of fiscal impact: SB 37 would require the Department of Natural Resources and Conservation (DNRC) to provide notice and mailings to the public informing them of the open filing period and deadlines for filing water rights claims. It would also require the Water Court to issue supplemental preliminary decrees in basins where a preliminary decree, related to exempt claims, has been issued prior to March 1, 2018. The bill also sets forth notification standards related to the issuance of supplemental preliminary decrees.

FISCAL ANALYSIS

Assumptions:

DNRC

1. Notice is required to be published in each county and is estimated to involve nine newspapers. The average cost for the publication is estimated to be \$540 per paper. Total estimated cost for this notice is \$4,860.
2. Notice is required to be mailed to each unique property tax payer. The Department of Revenue indicated that this would involve sending notice to 207,427 taxed properties. The estimated cost of to develop the forms, print and mail this notice, is estimated to be \$114,780.

3. Notice is required for new exempt filings prior to final decree through a supplemental preliminary decree. It is estimated that this may involve up to 50 basins at average cost of \$1,500 per basin. Total estimated cost for this notice is \$75,000.

Water Court

4. The Water Court estimates that it may issue up to ten supplemental preliminary decrees each fiscal year. 85-2-232(3), MCA, establishes that each supplemental preliminary decree must be published at least once each week for 3 consecutive weeks in at least three newspapers.
5. It is estimated that each supplemental preliminary decree will have one objection and one extension for the maximum time, as allowed in 85-2-233(1) and (3), MCA. The same publications standards established for the issuance of the supplemental preliminary decree are followed for each objection and extension filed.
6. The cost to publish notification for one supplemental preliminary decree in three newspapers is \$2,028 (\$676 X 3). The total cost for one newspaper is \$676 (\$540 + \$96 + \$40). \$540 for the issuance of a supplemental preliminary decree, \$96 for the notice of extension and \$40 for the notice of objection.
7. Issuance of ten supplemental preliminary decrees each fiscal year equals a total cost of \$20,280 (\$2,028 X 10 decrees/year).
8. A 1.5 percent per year inflation factor has been applied for the 2019 biennium.

	<u>FY 2016</u> <u>Difference</u>	<u>FY 2017</u> <u>Difference</u>	<u>FY 2018</u> <u>Difference</u>	<u>FY 2019</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Personal Services	\$0	\$0	\$0	\$0
Operating Expenses	\$214,920	\$20,280	\$20,584	\$20,893
TOTAL Expenditures	\$214,920	\$20,280	\$20,584	\$20,893
<u>Funding of Expenditures:</u>				
General Fund (01)	\$214,920	\$20,280	\$20,584	\$20,893
State Special Revenue (02)	\$0	\$0	\$0	\$0
TOTAL Funding of Exp.	\$214,920	\$20,280	\$20,584	\$20,893
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
TOTAL Revenues	\$0	\$0	\$0	\$0
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$214,920)	(\$20,280)	(\$20,584)	(\$20,893)
State Special Revenue (02)	\$0	\$0	\$0	\$0

*Sponsor's Initials*_____
*Date*_____
*Budget Director's Initials*_____
Date